

Message Text

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46

ORIGIN COME-00

INFO OCT-01 AF-08 IO-13 ISO-00 EB-07 STR-04 TRSE-00 AGR-05

CEA-01 CIAE-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

ITC-01 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 /101 R

DRAFTED BY COM/BIEPR/OTP/GREDDING
APPROVED BY STATE/EB/OT/GCP/SAHMAD
COM/OTP/DND/LJMURPHY
COM/OTP/DND/RRUZICKA
COM/OTP/TNAD/CROE
STATE/EB/OT/GCP/JSLATTEY (PHONE)
STATE/EB/OT/TA/RWHITE (PHONE)
STR/BSTEINBOCK (PHONE)
TREAS/EBARBER (PHONE)
STATE/AF/E/ESHIPPY (PHONE)

----- 122365

R 231352Z JUL 76

FM SECSTATE WASHDC
TO AMEMBASSY NAIROBI
INFO USDEL MTN GENEVA

LIMITED OFFICIAL USE STATE 182622

E.O. 11652: N/A

TAGS: ETRD, MTN, KE

SUBJECT: TN NEGOTIATIONS: CLARIFICATION OF NTM REPORTED
BY INDUSTRY ADVISORS

REF: (A) STATE 171194 (B) NAIRO01 3275

1. PHRASE QUOTE DUTY UPLIFT UNQUOTE MENTIONED PARA 3A,
REF. A, REFERS TO ARITHMETIC METHOD OF INCREASING BASE UPON
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WHICH DUTIES ARE ASSESSED, USED IN EVENT OF LESS-THAN-ARMS-

LENGTH TRANSACTION BETWEEN ANY TWO ASSOCIATED PARTIES, E.G. PARENT FIRM AND SUBSIDIARY. FOR CUSTOMS PURPOSES, COUNTRY UPLIFTS VALUE OF TRANSACTION TO COMPENSATE FOR CERTAIN COSTS NOT REFLECTED IN INVOICE PRICE, SUCH AS PROMOTION, ADVERTISING, PATENT, AND OTHER COSTS, THUS BRINGING VALUE OF TRANSACTION UP TO LEVEL BELIEVED COMMENSURATE WITH TYPICAL ARMS-LENGTH TRANSACTION. FYI IN SOME COUNTRIES, REGULATIONS ESTABLISHING CRITERIA FOR USE OF UPLIFTS ARE NOT IN PRINT, CONSEQUENTLY ENABLING AUTHORITIES TO USE UPLIFTS FOR PURELY PROTECTIVE REASONS TO LIMIT COMPETITION WITH LOCALLY PRODUCED GOODS. END FYI.

2. IN CASE SPECIFIED REF. A, IT IS ALLEGED THAT IMPORT DUTIES FOR CONSTRUCTION EQUIPMENT ARE ASSESSED UPON ONE-HUNDRED AND FIVE PERCENT OF THE INVOICE PRICE OF THE GOODS.

3. APPRECIATE POST'S ASSISTANCE ON THIS MATTER. ROBINSON

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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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